

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking on the Commission's Proposed Policies Governing Energy Efficiency, Low-Income Assistance, Renewable Energy and Research, Development and Demonstration.

Rulemaking 98-07-037  
(Filed August 23, 2001)

Order Instituting Rulemaking on the Commission's Proposed Policies and Programs Governing Low-Income Assistance Programs.

Rulemaking 01-08-027  
(Filed August 23, 2001)

**ADMINISTRATIVE LAW JUDGE'S RULING  
REQUESTING ADDITIONAL CLARIFICATION**

By this ruling, I am requesting further clarification from Pacific Gas and Electric Company (PG&E), Southern California Gas Company (SoCalGas), San Diego Gas & Electric Company (SDG&E) and Southern California Edison Company (SCE), referred to collectively as "the utilities," regarding their implementation policies and practices of energy efficiency services to customers who take energy services from a municipality or entity other than an investor-owned utility (IOU). This issue was raised recently in PG&E and SoCal's July 24, 2001 Petition to Modify Decision (D.) 01-03-073 ("Petition") to allow customers who take electric service from non-IOUs to participate in distributed generation initiatives. Whether or not to offer weatherization and other energy efficiency services to customers with non-IOU heating fuel has also been an ongoing issue for the low-income energy efficiency program. This issue was addressed in a

recent report by the Standardization Team, which consists of the utilities and their consultants.

In their Petition, PG&E and SoCalGas argue that excluding customers who take electric service from non-IOUs to participate in the Distributed Generation Program adopted in D.01-03-073 would be inconsistent with the Commission's implementation of other AB 970 initiatives and public goods programs in general, stating:

“First, when the Commission, in D.01-01-060 adopted the ‘energy conservation demand-side management’ initiatives identified in PU Code Section 399.15(b)(1)-(3), it placed no restriction on PG&E’s or SoCalGas’s ability to offer these initiatives to their customers who take their electric service from a municipal electric provider. Thus, PG&E and SoCalGas are offering their PY2001 energy efficiency products and services, including those products and services that arose out of AB970, to all of their customers, including their customers who take their electric service from a municipality. Second, this approach is consistent with past practice for implementing public goods programs. To the best of our knowledge, the Commission has never prohibited PG&E or SoCalGas from offering public goods programs to its gas customers who take their electric service from a municipal electric provider.” (Petition, p. 8.)

These statements indicate that PG&E and SoCalGas currently offer electric demand-reducing measures (e.g., weatherization, energy efficient lighting and appliances, etc.) to non-low income homes and businesses that have their electric loads served by non-IOUs, including municipal utilities. However, on the low-income side of the program, if a customer uses a non-IOU space heating fuel, it is not currently eligible for measures associated with that end-use (e.g.,

weatherization, furnace repairs, high efficiency air conditioners, evaporative coolers).<sup>1</sup>

I need more clarification on the utilities' current practice with regard to measure eligibility for the non-low income and low-income side of the energy efficiency programs. Are the utilities currently offering energy efficiency services to non-low income customers that reduce electric loads when the electric service is not provided by the IOU? (The same question applies with respect to measures that reduce natural gas usage.) Which specific measures are offered (e.g., weatherization, air-conditioning, evaporative coolers)? A clear comparison of practices (in terms of eligibility for measures depending on whether or not the IOU provides the service) should be presented for the non-low income and low-income side of the programs. PG&E and SoCal should also indicate how their proposal for the distributed generation program compares to current practices for the energy efficiency programs (low-income and non low-income), depending upon the end-use fuel of the customer.

Another point of clarification is needed with respect to fuel switching. To the extent that utilities offer gas measures to replace/reduce electric usage (or vice versa) under energy efficiency programs, do the utilities assess the total fuel input to determine if the "switch" is cost-effective, and if so, how? How do the utilities propose to consider this issue if the Commission determines that electric

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<sup>1</sup> See August 17, 2001 Reply Comments of Statewide Low-Income Energy Efficiency Program Standardization Project Team To Comments on the Phase 3 Report; pp. 14-15. I note that the Standardization Project Team recommends some modifications to this current practice. However, current practices and procedures do base eligibility for measures based on heating fuel and exclude eligibility for the measures listed above.

customers of municipal utilities can participate in the Distributed Generation program?

The utilities should meet and confer to develop a uniform template for presenting the side-by-side comparison of their current practices with regard to measure eligibility, as discussed above. The utilities' joint response should be filed within 15 days from the date of this ruling in the Commission's Docket Office and served on all parties to the above-captioned proceedings, or successor proceeding, by U.S. and electronic mail. Comments shall be filed at the Commission's Docket Office five days thereafter. Comments shall be served electronically on all appearances and the state service list in these proceedings, or successor proceeding. U.S. mail service of the comments is optional, except that one hard copy of comments shall be mailed to the Assigned Administrative Law Judge.<sup>2</sup> In addition, if there is no electronic mail address available, the electronic mail is returned to the sender, or the recipient informs the sender of an inability

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<sup>2</sup> Mail to: Administrative Law Judge Meg Gottstein, Room 5044, CPUC, State Office Building, 505 Van Ness Avenue, San Francisco, CA 94102.

to open the document, the sender shall immediately arrange for alternate service (regular U.S. mail shall be the default, unless another means—such as overnight delivery—is mutually agreed upon.) Current service lists for this proceeding are available on the Commission’s web page, [www.cpuc.ca.gov](http://www.cpuc.ca.gov).

Dated August 24, 2001, at San Francisco, California.

/s/ MEG GOTTSTEIN

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Meg Gottstein  
Administrative Law Judge

**CERTIFICATE OF SERVICE**

I certify that I have by mail this day served a true copy of the original attached Administrative Law Judge's Ruling Requesting Additional Clarification on all parties of record in this proceeding or their attorneys of record.

Dated August 24, 2001, at San Francisco, California.

/s/ FANNIE SID

Fannie Sid

**N O T I C E**

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.